

Franchise Tax Board**NO ANALYSIS REQUIRED**Author: Strom-Martin Analyst: Kimberly Pantoja Bill Number: AB 1254Related Bills: See Prior Analysis Telephone: 845-4786 Amended Date: 06/30/99Attorney: Patrick Kusiak Sponsor: _____**SUBJECT:** Business Expense Deduction Conformity/Salmon & Steelhead Trout Habitat Restoration Credit/Increase Amount & Extend Repeal Date

- ☐ ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- ☐ TECHNICAL BILL -- No program or fiscal changes to existing program.
- ☐ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- ☒ TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is Pending.
- ☐ MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- ☐ MINOR AMENDMENT - No change in approved position of _____. See comments below.
- ☐ OTHER - See comments below.

COMMENTS:

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this bill would increase the salmon and steelhead trout habitat credit from 10% to 25% for taxpayers other than industrial timber operators. The annual amount of aggregate credit allocation would increase from \$500,000 to \$5 million, and the maximum credit that may be allocated to any one taxpayer would increase from \$50,000 to \$500,000. The sunset date would be extended four years to January 1, 2004.

Under the PITL and B&CTL, this bill would disallow the deduction of membership fees in excess of \$500 paid to any club organized for business, pleasure, recreation or other social purpose. Additionally, under the B&CTL, this bill would conform state law to the federal law disallowing the deduction of certain employee remuneration over \$1 million.

The June 30, 1999, amendment deleted an unnecessary reference to a taxpayer partnership and resolved the technical consideration raised in the department's analysis of the bill as introduced February 26, 1999. Except for the technical consideration, the remainder of the department's analysis of the bill as introduced February 26, 1999, still applies.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Franchise Tax Board Staff

Date

Kimberly Pantoja**7/12/1999**